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# **SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT**



## **ANNUAL REPORT 1987-1988**

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Columbia, South Carolina

September 1, 1988

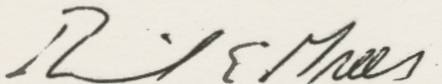
TO: His Excellency the Governor and The Honorable  
Members of the General Assembly of South Carolina

On behalf of the South Carolina Coordinating Council  
for Economic Development, I am pleased to submit its  
Annual Report FY 87-88, which delineates the Council's  
activities during that period.

While 1987-88 was a very eventful year for the Council,  
we are looking forward to a more vigorous role in our  
mission to better coordinate the efforts of the member  
agencies in the area of economic development.

This fiscal year will mark a milestone in the efforts  
of the Council. As charged in its enabling legislation  
and reported in last year's Annual Report, the Council  
has been working in conjunction with the firm of Price  
Waterhouse to develop the Strategic Plan for the  
Economic Development of South Carolina. The plan will  
be presented to the Governor and the General  
Assembly in October of 1988.

Respectfully submitted,



Richard E. Greer  
Chairman



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**STATEMENT OF PURPOSE**  
MEMBER  
COORDINATING COUNCIL FOR ECONOMIC  
DEVELOPMENT

**AUTHORITY**

The South Carolina Coordinating Council for Economic Development was created in 1986 by an Act of the General Assembly (Act 423 of 1986) and signed into law by the Governor on May 23, 1986. The purpose of the Council is to enhance the economic growth and development of the State through strategic planning and the coordination of the activities of various state and local agencies. The composition and its termination date was amended by the General Assembly in 1987 and signed into effect by the Governor on May 13, 1987.



MEMBERS OF THE SOUTH CAROLINA  
COORDINATING COUNCIL FOR ECONOMIC  
DEVELOPMENT

S.C. STATE DEVELOPMENT BOARD

Mr. Richard E. Greer \*

S.C. JOBS-ECONOMIC DEVELOPMENT AUTHORITY

Mr. Henry R. Sims II

S.C. DEPARTMENT OF PARKS, RECREATION AND TOURISM

Mr. Charles A. Bundy

S.C. BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

Mr. P. Henderson Barnette

S.C. RESEARCH AUTHORITY

Mr. W. W. Johnson

S.C. PUBLIC SERVICE AUTHORITY

Mr. Dwight A. Holder

S.C. PORTS AUTHORITY

Mr. Robert V. Royall, Jr.

S.C. DEPARTMENT OF AGRICULTURE

The Honorable D. Leslie Tindal

S.C. EMPLOYMENT SECURITY COMMISSION

Mr. Cecil T. Sandifer

SMALL AND MINORITY BUSINESS EXPANSION COUNCIL

The Honorable John W. Matthews, Jr.

S.C. TAX COMMISSION

Mr. S. Hunter Howard, Jr.

EXECUTIVE ASSISTANT TO THE COUNCIL

Mrs. Deborah R. Bass

\* Council Chairman



## HISTORY

The South Carolina Coordinating Council for Economic Development was formed in response to a general need for improved coordination of efforts in the area of economic development by those state agencies involved in the recruitment of new business and the expansion of current enterprises throughout the state. It was determined through studies done by the South Carolina Legislative Audit Council, the Business-Education Legislative Partnership Committee and the report on "Capital Markets in South Carolina" that formal establishment of the Council would enhance the economic growth and development of the State through strategic planning and coordination of those state and local agencies. Also, the Council would reduce duplication of effort, and thereby improve the economic well-being of the State's citizens.

Formally established in 1986 by the General Assembly (Act 423 of 1986), the Council is currently comprised of eleven state agency chairmen. Meeting a minimum of four times annually, the chairmen of the member agencies consider strategies which will effect an ongoing planning process as it relates to economic development on a statewide basis.

Additionally, the directors of the member agencies are requested by the individual agency chairmen to meet on a regularly scheduled basis in order to enhance the efforts of the Council to eliminate duplication of effort in all operational areas of economic development thus providing for the first time in recent history a viable communications network between the member agencies.

Among the current projects being administered by the Council are the Economic Development Set-Aside Fund, the Strategic Plan for Economic Development in South Carolina and the Infrastructure Overlay Model. Each of these programs will provide a positive impact on economic development in the State.



## PROGRAMS

### Economic Development Set-Aside Fund

In 1987 the General Assembly passed a bill that created the "Strategic Plan for Improving Mobility and Safety," better known as the SHIMS project.

This legislation provided for an additional 3 cents per gallon tax on the sale of gasoline in the state. The revenues derived from the additional tax are to be used to establish a separate highway fund for the implementation of SHIMS.

The first \$10 million generated each year from the additional tax will be used to create an "Economic Development Account"-- the \$10 million set-aside fund -- to be used by the South Carolina Department of Highways and Public Transportation as authorized by the Coordinating Council for Economic Development.

The purpose of the fund is to enhance the economic development of the state by providing a quick response to project requests that have been deemed necessary for economic development, such as a new plant location or the expansion of existing business.

It was determined that in order to make South Carolina more competitive with neighboring states, improvements to the current structure of highway allocations and the programming process would need to be made.

Before the set-aside fund was established, the process used did not lend itself to tangible and immediate commitments needed by a prospective company to expand or locate in South Carolina.

The Coordinating Council for Economic Development might not be able to actually speed up the process of road construction, but it can offer prospects a commitment that the necessary road work can be done in a timely manner.

Criteria and qualifications for projects include the number of jobs created or saved, the type of business, the county involved (whether it is rural or urban development), unemployment, the total invested dollars, future tax revenues, the time frame for completion, funding sought from other sources and expansion of existing business.



The fund is not used for the purpose of opening up access to undeveloped property. Rather, it is used for such items as planning, developing and implementing of new roads that will result in the acquisition of a new or expanded industry or business in the state.

County road improvement funds set aside for industrial and economic development should be used fully before an application is made to the Council. In order to apply for funds from the set-aside account, applicants must acquire an application from a member agency of the Coordinating Council. Upon receipt by the Council, each application is reviewed for accuracy and then considered for approval by the council. The three member Highway Set-Aside Committee considers all requests for funding up to \$ 1 million. All requests in excess of this amount must be considered by the full council.

PROJECT COMMITMENTS 1987-88

<u>PROJECT NAME</u>	<u>COUNTY</u>	<u>AMOUNT</u>
White Consolidated	Anderson	500,000.00
Overlook Bus. Center	Lexington	550,000.00
Dorchester Ind. Center	Dorchester	90,000.00
Pelham Greene/Michelin	Greenville	750,000.00
Barnwell Cty. Airport	Barnwell	250,000.00
Ind. Park		
East York Ind. Park	York	813,000.00
Willamette Industries	Marlboro	3,899,000.00
Karmikel Corp.	Lancaster	7,000.00
Carolina Res. Park	Richland	400,000.00
Lake City Ind. Park	Florence	400,000.00
True Temper Sports	Oconee	200,000.00
Confidential Project	Greenville	400,000.00
*Prelim. Engr. Allot.		<u>20,000.00</u>
		\$ 8,279,000.00



## Strategic Plan for Economic Development

The Coordinating Council, in its enabling legislation, is charged with the responsibility of creating a strategic plan for the economic development of South Carolina. Following concepts as outlined in Leadership for Dynamic State Economics, published by the Committee for Economic Development (an independent research and educational organization of over two hundred business executives and educators), the Council determined to undertake the planning assignment through a public-private partnership of the business, government and academic sectors. This partnership would work with a nationally recognized consulting firm to research, draft, and implement an overall economic development plan for the state. Funding for this plan was provided by the General Assembly in the SHIMS legislation of 1987 which allocated a one time expenditure not to exceed \$ 250,000. It was determined through initial studies by the Council that additional funding would be required to successfully complete and implement this plan. Therefore, the Public-Private Partnership Foundation was established to secure an additional \$250,000 in private sector matching funds.

Nine companies submitted proposals through the state bid process for review by the Coordinating Council's Strategic Planning Committee. Of the nine, three were invited to make presentations to the committee. Chosen to develop the plan was Price Waterhouse.

The project will take approximately one year to complete. It will incorporate the strategic findings of the Governor's Task Force on Agriculture and Rural Development, the Council on Competitiveness and the Commission on the Future of South Carolina, among others. The Coordinating Council will incorporate those groups' findings in the overall plan so as not to duplicate efforts.

The overall goal of the project is to develop a strategic plan or "blueprint for the future" for economic development in South Carolina. The strategic plan will be developed and implemented based on a public-private consensus. Development of this consensus comprises a critical part of the strategic planning process.

The project is divided into two major phases--Development of Goals and Strategy Development and Implementation. Each phase includes specific tasks as set out in the Request for Proposal. These tasks are as follows:



#### PHASE 1: DEVELOPMENT OF GOALS:

- \* Analyze Economic Trends and Resources
- \* Analyze and Develop Detailed Information on Economic Opportunities
- \* Define Goals for Economic Development Strategy

#### PHASE 2: STRATEGY DEVELOPMENT AND IMPLEMENTATION:

- \* Design Implementation Plan for Economic Development Strategy
- \* Establish Monitoring Procedures for Strategy Implementation

Once completed, the strategy will serve as a compass for growth, will encourage a competitive, market-driven economy and maintain a competitive edge for the state in an increasingly complex world economy.

#### Infrastructure Overlay Model

The economic development potential of a community or plant site depends on the availability of power, water and sewer, services and access to markets, workers, and raw materials. Information about these infrastructure systems is necessary to assist decision makers in economic development planning and site location.

Funding by the Coordinating Council for Economic Development from the Highway Set-Aside Account, has been provided for an information database for infrastructure planning that includes a computerized map of the state showing physical infrastructure, including highways, airports, railroad, water systems, sewer systems, and electric and gas transmission lines. This database will be developed using input from numerous state and local infrastructure-related organizations. Once completed, this project will provide a detailed inventory, as well as an infrastructure map, for use in economic development decisions, location analysis, and regional planning. In addition, a detailed inventory to support the map will allow state and regional economic development officials to not only determine what areas need infrastructure development but what areas need maintenance, repair, or increased capacity. The S. C. State Development Board will administer this project.



## MEMBERSHIPS

### Southern Institute for International Studies

As part of its role to develop an awareness of growing global interdependence and to establish among its member agencies a better understanding of the international environment which is a prerequisite for effective decision making, the Coordinating Council became an international circle member in the Southern Institute for International Studies (SCIS). Among the benefits offered with the membership are customized briefings with SCIS personnel, use of the SCIS facilities for functions, quarterly briefings on international issues affecting American business, program videotapes, study groups on particular areas or countries and specialized information packages.

Located in Atlanta, Georgia, the Institute is a non-profit, non-partisan educational institution supported by state governments, business and professional firms, foundations and individuals. Its staff provides educational programs at several levels of expertise, conducts research and advises constituents on international affairs. Some prominent South Carolinians which are currently listed among the Institute's trustees are Governor Campbell, former Governor West, J. Crawford Cook and Charles E. Fraser.

By enrolling the State of South Carolina as a member of the Institute, the Council has endeavored to provide a positive and far-reaching impact on economic development throughout the State.







**SOUTH CAROLINA COORDINATING COUNCIL  
FOR ECONOMIC DEVELOPMENT  
FINANCIAL SUMMARY 1987-1988 \*  
OPERATING BUDGET**

**SOURCE OF FUNDS:**

<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>Earmarked</u>
Allocation for Operating and General Expenses By Agency:			
SCSDB			\$ 25,000.00
SCDA			10,000.00
SCESC			10,000.00
SCDPRT			10,000.00
Tech Ed			10,000.00
SCSPA			10,000.00
SCPSA			10,000.00
SCJEDA			10,000.00
SC Tax Comm			10,000.00
SCRA			10,000.00
 Total agency contribution			 \$ 115,000.00
 PREVIOUS CARRY-FORWARD FORWARD			  16,791.93
 TOTAL SOURCES			  <u>\$ 131,791.93</u>

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**EXPENDITURES**

Contractual Svcs.	\$ 42,706.88
Supplies & Mtrls.	49.30
Fixed Chgs. & Contr.	25,154.00
Travel	1,469.66
Equipment	563.06
 TOTAL EXPENDITURES	 \$ 69,942.90
 CARRY-FORWARD OF FUNDS	 \$ 61,849.03

\* Prepared from books and records without audit.

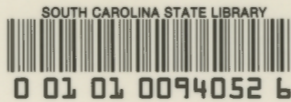


**SOUTH CAROLINA COORDINATING COUNCIL  
FOR ECONOMIC DEVELOPMENT  
FINANCIAL SUMMARY 1987-1988 \*  
STRATEGIC PLAN BUDGET**

REVENUE	\$ 250,000.00
Gas-Tax 4350	
EXPENDITURES	
Contractual Services	149,444.96
CARRY-FORWARD OF FUNDS	<u>\$ 100,555.04</u>

\* Prepared from books and records without audit.





**SOUTH CAROLINA COORDINATING COUNCIL  
FOR ECONOMIC DEVELOPMENT  
COMMITTEE ASSIGNMENTS**

**HIGHWAY SET-ASIDE COMMITTEE**

Richard E. Greer, Chairman  
P. Henderson Barnette  
W. W. Johnson

**LEGISLATIVE COMMITTEE**

Hunter Howard, Chairman  
Dwight Holder  
Cecil Sandifer  
Senator John Matthews

**STRATEGIC PLAN COMMITTEE**

Bob Royall, Chairman  
Charles Bundy  
Richard Greer  
Henry Sims  
Commissioner D. Leslie Tindal